

HOUSE No. 1058

By Mr. O'Brien of Kingston, petition of Thomas J. O'Brien and others for legislation to provide funding for charter schools. Education.

The Commonwealth of Massachusetts

PETITION OF:

Thomas J. O'Brien	Carl M. Sciortino, Jr.
Stephen LeDuc	Patricia D. Jehlen
Patricia A. Walrath	Barbara A. L'Italien
Paul J. Donato	Geraldine Creedon
Bruce E. Tarr	John W. Scibak
Frank I. Smizik	Mark V. Falzone
Edward G. Connolly	Thomas M. Stanley
Michael E. Festa	Ellen Story
Karen E. Spilka	Alice K. Wolf
Mary E. Grant	

In the Year Two Thousand and Five.

AN ACT RELATIVE TO CHARTER SCHOOL FUNDING.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 89 of chapter 71 of the General Laws, as appearing in
2 the 2002 Official Edition, as amended by Chapter 352 of the Acts
3 of 2004, is hereby further amended by striking subsection (nn)
4 and inserting in place thereof the following:—
5 (nn) Commonwealth charter schools shall be funded as follows:
6 The commonwealth shall pay a tuition amount to the charter
7 school, which shall be the sum of the tuition amounts calculated
8 separately for each district sending students to the charter school.
9 Tuition amounts for each sending district shall be calculated by
10 the department of education using the formula set forth herein to
11 reflect, as much as practicable, the actual per pupil amount that

12 would be expended for operational purposes in the district if the
13 students attended the district schools. For the purposes of this
14 section, “operational purposes” shall exclude capital costs associ-
15 ated with payments, including interest and principal payments, for
16 the construction, renovation, purchase, acquisition, or improve-
17 ment of school buildings and land, and any other costs not associ-
18 ated with payments for the construction, renovation, purchase,
19 acquisition, or improvement of school buildings but reported to
20 the department of education as a capital cost.

21 The tuition amount shall be calculated separately for each dis-
22 trict sending students to a charter school, and for each charter
23 school to which a district sends students. Each district’s per pupil
24 tuition amount for each charter school to which it sends students
25 shall be adjusted to reflect the actual net school spending in the
26 sending district.

27 In calculating the per pupil tuition amount, the department shall
28 calculate a foundation budget for the students from each sending
29 district attending the charter school in the previous fiscal year,
30 pursuant to the provisions of section 2 of chapter 70; provided,
31 that the department shall not include in said calculation the
32 assumed tuitioned-out special education enrollment, nor any
33 amounts generated by said assumed enrollment, as defined by said
34 section 2. The per pupil tuition amount shall be the district’s foun-
35 dation budget for the charter school, as so calculated, divided by
36 the number of students attending the charter school from the
37 sending district in the previous fiscal year. The per pupil tuition
38 amount shall be calculated separately for each charter school to
39 which a district sends students. The foundation budget for a
40 charter school shall be the sum of the foundation budgets for the
41 charter school for each district sending students to the charter
42 school.

43 In adjusting the per pupil tuition amount, the department shall
44 calculate for each sending district an above foundation spending
45 percentage, which shall be the percentage by which the sending
46 district’s actual net school spending exceeds the foundation
47 budget for the district, as calculated pursuant to the provisions of
48 chapter 70. The department shall further calculate the percentage
49 of actual net school spending reported by the sending district
50 associated with tuition costs for tuitioned-out special education

51 students, including education that occurs in educational collabora-
52 tives, and with spending on health care costs for retired
53 employees, for any district for which such costs are included in
54 net school spending, and shall reduce the district's above founda-
55 tion spending percentage proportionately. The per pupil tuition
56 amount for each charter school to which the sending district sends
57 students shall be increased by said adjusted above foundation
58 spending percentage.

59 The total tuition amount owed by a sending district to a charter
60 school shall be the per pupil tuition amount as defined above,
61 multiplied by the total number of students attending the charter
62 school from that district in the current fiscal year. The sending
63 district's total charter school tuition amount for purposes of the
64 following paragraphs shall be the sum of the district's tuition
65 amounts for each charter school to which the district sends stu-
66 dents, calculated using the provisions of this section. The
67 receiving charter school's total charter school tuition amount shall
68 be the sum of the tuition amounts calculated for the charter school
69 for each district sending students to the charter school.

70 The state treasurer is hereby authorized and directed to deduct a
71 district's total charter school tuition amount, as calculated herein,
72 from the total state school aid, as defined in section 2 of said
73 chapter 70, of the district in which the student resides prior to the
74 distribution of said aid. In the case of a child residing in a munici-
75 pality which belongs to a regional school district, the charter
76 school tuition amount shall be deducted from said chapter 70 edu-
77 cation aid of the school district appropriate to the grade level of
78 the child. If, in a single district, the total of all such deductions
79 exceeds the total of said education aid, this excess amount shall be
80 appropriated by the Commonwealth and shall not impact other aid
81 appropriated to said city and town; provided, however, that if said
82 district has exempted itself from the provisions of chapter 70 by
83 accepting section 14 of said chapter 70, the commonwealth shall
84 assess said district for said excess amount.

85 The state treasurer is hereby further authorized and directed to
86 disburse to the charter school an amount equal to the charter
87 school's total charter school tuition amount as defined above.

88 The department shall, subject to appropriation, provide funding
89 to charter schools for a capital needs allocation. The department

90 shall calculate a statewide per pupil average expenditure from
91 state and local sources for capital costs solely associated with pay-
92 ments, including interest and principal payments, for the construc-
93 tion, renovation, purchase, acquisition, or improvement of school
94 buildings and land. The department shall multiply said amount by
95 the number of students the district sends to charter schools, and
96 shall provide funding directly to charter schools for said costs.
97 Such funding shall be drawn from a specific line item in the state
98 budget, established for that purpose and no other. Such funding
99 shall not be included in the tuition amount, and shall not be
100 deducted from the Chapter 70 aid of the sending district. In
101 making these calculations, the department shall use data from the
102 most recent year for which actual district expenditures have been
103 reported by districts to the department.

104 The board of education shall adopt regulations for imple-
105 menting the provisions of this subsection, including, but not lim-
106 ited to, regulations for determining the actual per pupil net school
107 spending amounts in districts, and for calculating charter school
108 tuition amounts. In adopting said regulations, the department shall
109 consult with the executive office for administration and finance.